

UNITED STATES PATENT APPLICATION

of

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for

SYSTEM AND METHOD FOR FACILITATING REALTOR-ASSISTED LOAN SHOPPING AND ORIGINATION

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BACKGROUND OF THE INVENTION

Related Applications

This application is a continuation-in-part of co-pending provisional patent application Serial No. 60/180,013, filed February 3, 2000, and entitled "Method for Facilitating Loan Shopping," which is incorporated herein by reference.

Field of the Invention

This invention pertains generally to computerized information management and processing systems. More specifically, this invention relates to a system and method for Realtor-assisted loan shopping and origination.

Description of Related Art

In today's loan origination industry, Realtors do not earn a commission from a mortgage origination transaction. Although Realtors, in particular, incur the time and economic costs of developing and generating a real estate sale, they do not realize profits from lucrative financial transactions that are always on their desk, the mortgage origination transaction. Whether traditional or direct to the consumer, mortgage banking simply leaves out the Realtor. In fact, the Realtor often supplies the referral of a mortgage broker to the borrower, which eventually results in the loan. Thus, Realtors and other professionals close to the mortgage origination transaction want and need a method of originating mortgages themselves on behalf of a borrower.

In addition to the desires of these Realtors, there is growing evidence that consumers would prefer one-stop shopping for homes and mortgages from a single

1 professional entity. For example, the borrower benefits by Realtor involvement during
2 the pre-qualification and origination stages. Knowledge of the mortgage process could
3 help the Realtor tailor the focus of their search efforts on affordable homes within the
4 borrower's pre-qualified range. This increases the Realtor's efficiency by reducing the
5 number of unjustified visits to show homes far outside of their client's means and reduces
6 the number of broken sales caused by borrowers attempting to purchase homes outside of
7 their qualification range.

8 Unfortunately, adding a new service or feature outside of the traditional scope of
9 service provided by a professional, as in a Realtor assisting with loan origination, can be
10 a very difficult process. Until recently, several obstacles have prevented Realtors from
11 participating in the mortgage origination process. For example, Federal regulations, such
12 as the Real Estate Settlement & Procedures Act (RESPA), have prohibited Realtors from
13 earning any more than a minimal finder's fee taken from the origination revenues.

14 Although current RESPA guidelines permit a Realtor to be paid as a traditional loan
15 officer, the Realtor must first be employed by a mortgage company and second perform
16 various specific services in relation to the mortgage transaction when taking a mortgage
17 application from a borrower. There are fourteen specific services outlined in the RESPA
18 HUD Statement of Policy. Presently, in order for a Realtor to be in RESPA compliance
19 while originating mortgages, the realtor must comply with five of the fourteen outlined
20 services. In addition to RESPA compliance, some states have specific compliance points
21 that must be recognized during authorization, application, and loan processing. The
22 difficulty of properly learning the relevant state and federal regulations prevents many
23 Realtors from assisting their client's with mortgage origination.

24

1 Additionally, information on effectively processing and selling a mortgage is not
2 easily acquired nor understood. Furthermore, once acquired, this information must be
3 maintained daily as the mortgage market is in a continual state of flux. Moreover, the
4 Realtor must not neglect his or her primary duty, i.e., to maintain a good understanding of
5 the real estate market. What is needed is a system or method that simplifies the mortgage
6 origination process for the Realtor while ensuring compliance with the relevant
7 regulations.

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BRIEF DESCRIPTION OF THE DRAWINGS

Embodiments of the invention are described and explained with additional specificity and detail through the use of the accompanying drawings in which:

Figure 1 illustrates an exemplary system that provides a suitable operating environment for the present invention;

Figure 2 is a schematic block diagram of physical components of a mortgage origination system including the processing center and web system;

Figure 3 is a dataflow block diagram of a mortgage origination system including the processing center and web system;

Figure 4 illustrates a screen interface of an exemplary Login page;

Figure 5 is a screen interface of an exemplary system "Home" page;

Figure 6 is a screen shot of an exemplary "Authorize" page;

Figure 7 is a screen shot of an exemplary "Consult" page;

Figure 8 is a screen shot of an exemplary "Qualify" page;

Figure 9 is a screen shot of an exemplary state-specific "Apply" page;

Figure 10 is a screen shot of an exemplary loan status "Monitor" page;

Figure 11 is a screen shot of an exemplary borrower "Personal Information" page;

Figure 12 is a screen shot of an exemplary dynamic borrower "Credit & Financials" information page;

Figure 13 is a screen shot of an exemplary "Subject Property Information" page;

Figure 14 is a screen shot of an exemplary "Loan Options" page;

Figure 15 is a screen shot of an exemplary "Qualifying Programs" page;

Figure 16 is a screen shot of an exemplary "Borrower Service Center" loan program details page;

1 Figure 17 is a screen shot of an exemplary "Client Summary" page;
2 Figure 18 is a screen shot of an exemplary "Pre-Approval Letter" page;
3 Figure 19 is a screen shot of an exemplary "Good Faith Estimate" page;
4 Figure 20 is a screen shot of an exemplary "Credit Card Approval" payment
5 information page;
6 Figure 21 is a screen shot of an exemplary online Uniform Residential Loan
7 Application page;
8 Figure 22 is a screen shot of an exemplary "Borrower Service Center" loan status
9 page; and
10 Figure 23 is a screen shot of an exemplary "Pipelines" closed page.

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1 **DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS**

2 The present invention has been developed in response to the current state of the
3 art, and in particular, in response to these and other problems and needs that have not
4 been fully or completely solved by currently available systems or techniques. The
5 present invention provides an interactive Internet mortgage origination system for
6 business-to-business use via selected point-of-access professionals. The system allows
7 professionals already in close proximity to the mortgage loan transaction to actively
8 participate in the transaction. This is accomplished by replacing the traditional loan
9 originator with an interactive mortgage origination system that is monitored by the
10 professional, thereby allowing the professional to offer a one-stop shop to their client and
11 earn additional fees for closely allied services. Reference throughout this specification to
12 "Realtor" or "professional" means an individual close to a mortgage origination
13 transaction who can participate in the mortgage commission distribution, such as
14 Realtors, real estate agents, real estate brokers, solicitors, builders, accountants, financial
15 planners, insurance agents, lawyers, and other point-of-access professionals not directly
16 associated with mortgage origination.

17 Figure 1 and the following discussion are intended to provide a brief, general
18 description of a suitable computing environment in which the invention may be
19 implemented. Those skilled in the art will appreciate that the invention may be practiced
20 with many types of computer system configurations, including personal computers, hand-
21 held devices, Personal Digital Assistants (PDA), multi-processor systems,
22 microprocessor-based or programmable consumer electronics, network PCs,
23 minicomputers, and the like.

1 Furthermore, the particular features, structures, or characteristics may be
2 combined in any suitable manner in one or more embodiments. In the following
3 description, numerous specific details are provided, such as examples of programming,
4 web pages, user selections, network transactions, database queries, database structures,
5 etc., to provide a thorough understanding of embodiments of the invention. One skilled
6 in the relevant art will recognize, however, that the invention can be practiced without
7 one or more of the specific details, or with other methods, components, materials, etc. In
8 other instances, well-known structures, materials, or operations are not shown or
9 described in detail to avoid obscuring aspects of the invention.

10 Accordingly, a system and method built in accordance with the present invention
11 provides selected point-of-access professionals with a step-by-step mortgage origination
12 process for borrowers. In one embodiment, the step-by-step process for mortgage
13 origination includes: (1) authorize, (2) consult, (3) qualify, (4) apply, and (5) monitor.

14 One embodiment of the present invention provides dynamic direction to the select
15 point-of-access professionals originating loans customized for the specific borrower they
16 represent. The system dynamically changes requested data entry fields based in part on
17 borrower information and type of loan application requested. A database concerning
18 regulatory compliance allows the Realtor to ensure that necessary state and federal laws
19 are followed, while also maintaining desired mortgage loan information, such as
20 available commissions and interest rates, in an up-to-date and accurate database.

21 Yet another embodiment of the present invention provides interactive services and
22 forms via a processing center and a borrower service center with which the Realtor
23 performs specific functions like mortgage qualification, application, and status
24 monitoring. These services may be accomplished through online forms, online

1 documents, online calculators, online help, and online status and commission pipelines.
2 Specifically, the invention allows the Realtor to access mortgage processing status and
3 associated commission information, based in part on the actual processing of borrower
4 mortgage applications by the processing center.

5 Referring now to Figure 1, there is shown an exemplary system 100 or
6 environment for delivering loan or mortgage programs, including specific qualifications,
7 pricing analytics, and supplemental consultative content, to one or more agents, such as
8 Realtors. Figure 1 is intended to be illustrative of potential systems that may utilize the
9 present invention and is not to be construed as limiting. The system of Figure 1
10 illustrates various Realtor terminals 105, such as laptop 110, PDA 120, and workstation
11 130. In one embodiment, each terminal is configured to connect with a mortgage
12 origination system 140 via a secure private access connection 103 within communication
13 network 101. In another embodiment, one or more Lender servers and Realtor terminals
14 communicate with mortgage origination system 140 via the communication network 101.
15 The network 101 is preferably coupled to a plurality of Lender servers 150 for collecting
16 and generating loan program information, such as interest rates, qualification
17 requirements, and approval status to the mortgage origination system 140. The mortgage
18 origination system 140 includes a loan processing center 180 and web system 160 for
19 filtering the collected data from the borrowers against the guidelines provided by the
20 lenders.

21 The communication network 101 is preferably a global information network, such
22 as the Internet, which virtually eliminates the cost of software distribution. Implementing
23 Internet standard technologies assures platform independence and secure data
24 transmissions for the product. The Internet is a “network of networks” and is well known

1 to those skilled in the art. Communication over the Internet is accomplished using
2 standard protocols, such as TCP/IP (transmission control protocol/Internet protocol) and
3 the like. Use of the Internet provides the system 100 with robust functionality,
4 expandability, and ease of maintenance. However, other networks are contemplated,
5 examples of which include cable, satellite, telephone, power grid, or the like.

6 The secure private access 103 of the present invention optionally employs several
7 layers of security features, in order to provide security to financial information that is a
8 concern for customers. For example, in one embodiment, the mortgage origination
9 system 140 utilizes Microsoft® Internet Information Server (IIS) software that maintains
10 individual session states using built in session handling. Furthermore, a proxy server
11 provides a complete set of firewall tools that provide protection against intrusion.
12 Finally, the entire site utilizes Secure Sockets Layer (SSL) encryption technology,
13 optionally employing 128-bit encryption. In one embodiment, external non-web access
14 to the current network servers can be accomplished via a Virtual Private Network (VPN)
15 connection utilizing Point-To-Point Tunneling Protocol (PPTP).

16 Under the present invention, Realtors are paid as a traditional loan officer. To
17 receive a commission, the Realtor, employed by a mortgage company, must perform
18 specific services. For example, Federal regulations outline fourteen specific services to
19 be performed by the Realtor for and on behalf of the prospective borrower. Under the
20 RESPA HUD Statement of Policy, a Realtor must comply with five of the fourteen
21 outlined services in addition to taking a mortgage application from the borrower to be in
22 RESPA compliance while originating mortgages. As will be illustrated in greater detail
23 throughout the detailed description of Figures 4 through 23, the present invention allows
24 a Realtor to actively comply with six of the fourteen services including: (1) taking

1 information from the borrower and filling out the application; (2) analyzing the
2 prospective borrower's income and debt in order to pre-qualify the borrower and
3 determine the maximum mortgage that the prospective borrower can afford; (3) educating
4 the prospective borrower in the home buying and financing process, advising the
5 borrower about the different types of mortgage products available, and demonstrating
6 how closing costs and monthly payments could vary under each product; (4) providing
7 disclosures (truth in lending, good faith estimate and others) to the borrower; (5) assisting
8 the borrower in understanding and clearing credit problems; and (6) maintaining regular
9 contact with the borrower, realtor, and lender between application and closing to apprise
10 them of the status of the application and to gather any additional information as needed.

11 During the mortgage processing stage, the present invention helps the Realtor to
12 comply with the following seven of the fourteen services: (1) collecting financial
13 information (tax returns, bank statements) and other related documents that are part of the
14 application process; (2) initiating/ordering verifications of employment and verifications
15 of deposits; (3) initiating/ordering requests for mortgage and other loan verifications; (4)
16 initiating/ordering appraisals; (5) ordering legal documents; (6) determining whether the
17 property was located in a flood zone or ordering such service; and (7) initiating/ordering
18 inspections or engineering reports.

19 The final point of the fourteen services, participating in the mortgage closing, is
20 normally performed during the regular duties of the Realtor or professional. Thus, the
21 present invention assists the professional in complying with the fourteen service
22 requirements of RESPA.

23 Figure 2 is a schematic block diagram of physical components of a mortgage
24 origination system 140. A web server 210 provides scalable functionality to manage the

1 communications protocols with the communication network 101. In general, the web
2 server 210 ensures an integration of Internet technologies allowing diverse sources to
3 exchange information across the Internet. One example of a web server is Microsoft®
4 Windows 2000 Server.

5 The Application Server 220 provides scalable functionality to process the
6 business rules supporting the mortgage origination system 140. These proprietary
7 business rules include the Borrower Service Center program module and Qualification
8 Processing Engine program module, which are described in more detail in Figure 3.
9 Examples of the possible technologies used in the Application Server include Microsoft®
10 Active Server Pages (ASP) and Microsoft® Component Object Modules (COM).

11 The Borrower Service Center Database 230 provides scalable functionality to
12 process all data input and output requirements. All data associated with a users session is
13 maintained within this database including user, borrower, loan and associated employee
14 information. The proprietary architecture of this entity provides fast, scalable and reliable
15 data retrieval. An example of the Borrower Service Center Database implementation
16 would be Microsoft® SQL Server 2000.

17 Those skilled in the art will appreciate that the invention may be practiced with
18 many types of server configurations. For example, although depicted as single machines,
19 each entity 210, 220, and 230 could encompass several servers, which dynamically
20 balance the load of processing requirements.

21 Processing Center 180 provides the functionality to process loans. To support the
22 loan processing, loan processors utilize a loan processing application 250 to facilitate
23 tracking the information associated with the loans as well as the processing state of the
24 loan. Examples of the loan processing application 250 include Contour® Loan Handler

1 or the Calyx® Point System. In general, loan processing application 250 will store data
2 associated in a loan processing database 240. This data storage facility provides an
3 electronic means to access and transfer loan origination data within the processing center
4 180 and to/from the Borrower Service Center Database 230.

5 Figure 3 is a dataflow block diagram of an exemplary mortgage origination
6 system 140 including processing center 180 and web system 160. Web system 160
7 includes a borrower service center 320, which is the hub by which the Realtor manages
8 his or her client base of prospective borrowers. All of a Realtor's borrowers may be
9 entered and maintained in this section. To begin using the borrower service center 320
10 the Realtor must create or select a borrower. Once a borrower has been selected, the
11 borrower service center 320 operates in two modes; pre- and post-application.

12 Pre-application mode consists of six separate steps that are designed to quickly
13 guide a Realtor through the mortgage qualification process before actually applying for
14 the mortgage. The six steps are based on dynamically obtaining the following
15 information: Borrower Information (Figure 11), Credit and Financial Information (Figure
16 12), Property Information (Figure 13), Program Loan Options (Figure 14), Qualified
17 Programs (Figure 15), and Program Details (Figure 16).

18 The borrower service center 320 is specifically designed to minimize the amount
19 of information required to accurately qualify a borrower. The system streamlines the
20 entry process to provide a qualified borrower with accurate mortgage programs and rates
21 in real-time. This eliminates the normal waiting period necessary for a mortgage
22 approval from a standard loan officer or mortgage bank. Once preliminary information
23 from the qualification session has been entered and processed, the qualification
24 processing engine 360 outputs a matrix of qualified programs, rates and commissions.

1 One exemplary embodiment is illustrated in Figure 15 on the “Qualifying Programs”
2 page.

3 The qualification processing engine 360 operates under the premise that, within
4 reason, there is a loan program for which everyone can be qualified. By emulating a loan
5 officer’s familiarity with, and understanding of, the universe of loan programs, the engine
6 360 is able to fit a proposed loan program to a specific qualification instance; even in
7 cases outside of the traditional or conventional qualification guidelines. For example, it
8 is clear to a loan officer that clients who can verify income, but have an inordinate
9 amount of debt, may not qualify for a full documentation loan program. However, such
10 clients could qualify, for instance, for a no-ratio loan program.

11 This apparently circular qualification analysis, based on the universe of all
12 available loan programs, forms the basis of design for the qualification processing engine
13 360. The qualification processing engine 360 has four main processing stages: (1)
14 compare borrower against database of loan products, (2) filter rates for each satisfied
15 program, (3) choose the best program, and (4) present the final output. Technically these
16 stages are not always processed sequentially in order to obtain final, qualified results.

17 To assist the Realtor in gathering accurate data, all mortgage and financial related
18 entry fields have context-sensitive links into a help system. These links provide the
19 Realtor with a specific description of what is expected to be entered at that field.
20 Understanding that a borrower will only be qualified for an accurate mortgage based on
21 accurate data input, the system has been designed to identify and trap as many errors as
22 possible during the entry process and prior to the qualification process. For example, the
23 system employs numerous data validation rules to ensure that entered data is accurate. In
24 some cases, the data validation rule will have the Realtor confirm entered data that is out

1 of the appropriate boundaries. In some cases the data validation rule will not proceed if
2 required information has not been entered. Finally, before actually submitting the data
3 for a mortgage qualification, the system will validate data relationships to ensure basic
4 qualification rules. For example, if enough income has not been entered to cover the
5 specified down payment, the Realtor will be alerted to this fact prior to qualification.

6 One embodiment of the borrower service center is illustrated in Figures 11
7 through 19 and Figure 22 via exemplary screen shots where the "BORROWER
8 SERVICE CENTER" Tab is highlighted on primary control bar of the user interface.
9 Within this embodiment the borrower service center 320 data is entered into the
10 Borrower, Financial, Property and Program information pages during a qualification
11 session and processed by applications on the server and stored in the borrower service
12 center database 330.

13 When a Realtor requests an on-line application on behalf of a borrower, data
14 received during the qualification session is used to partially populate a secure online
15 application form. The Realtor can edit or add to the information during the secure online
16 application session 340. Upon submission of the secure online application, the data is
17 automatically prepared for exportation to the processing center 180 via the borrower
18 service center database 330 and the loan processing database 240.

19 Once a mortgage application has been submitted for a qualified borrower, the
20 borrower service center 320 enters a post-application mode for that borrower. In this
21 mode, entry of qualification information is replaced with status functionality. After the
22 loan processing application begins processing the secure online application that is stored
23 in the loan processing database 240, updated information concerning the process is
24 automatically forwarded to the borrower service center database 330 for status review via

1 the loan status and pipeline monitor 350. In one embodiment, the following four screens
2 may be available: Loan Options, Qualified Programs, Program Details, and Loan Status
3 (Figure 22).

4 Referring now to Figure 4, there is a diagram illustrating a screen interface of an
5 exemplary Login page 400. Due to the highly sensitive and personal nature of the
6 information required when obtaining a mortgage, the borrower prefers for the information
7 to be transmitted using encryption. In one embodiment, cipher strengths of at least 56-bit
8 encryption are used to encode and decode all information transmitted between the Realtor
9 terminal 105 and the mortgage origination system 140. In the illustrated embodiment, a
10 user identification field 320 and encrypted password field 330 are used to help protect the
11 system from unwanted access. Those skilled in the art will appreciate that the invention
12 may be practiced with many types of security system configurations, including public key
13 access (PKA), various tunneling protocols such as PPTP, and the like.

14 Figure 5 is a screen interface of an exemplary system Home page 500 for use with
15 the present invention. Typically, a home page is the first screen accessed and in the
16 present invention, the home page is configured as a navigational aid or workstation for
17 the Agent. The home page provides the communication starting point for a Realtor to
18 begin or review application. One noticeable feature is the quick reference pipeline
19 monitor 510 for all active, approved, floating, locked, and closed mortgage applications.
20 The home page 500 also provides links to online help and other reference material under
21 the Quick Info partition 520. The Quick Calculators 530 help determine various
22 preliminary calculations, such as "What will my payments be?", "How much can I
23 borrow?", "What home can I afford?", and "Extra payment advantages?".
24

1 Personalization of the borrower service center page 500 can be accomplished on an
2 individual basis according to the agent 540 or borrower 550.

3 As shown in Figure 6, a Realtor must certify the borrower's authorization to
4 obtain a borrower credit report in preparation for origination of the mortgage. In the
5 illustrated embodiment, the system provides printer ready authorization and disclosure
6 forms required by federal and state regulations. The Realtor prints the forms, obtains the
7 borrower's signature and faxes the forms to the processing center 180.

8 The illustrated authorize page 600 shows the tabs available during the
9 Authorization step. Specifically, the step includes a "Certification Authorization" form
10 and the state specific "Affiliated Disclosure" form. The version of the Affiliated
11 Disclosure form defaults to a state specific form corresponding to the Realtor's state, but
12 can be changed if the Realtor is acting as a solicitor for a different state. The illustrated
13 page also informs the Realtor that this step is mandatory for RESPA compliance.

14 In an alternative embodiment, the certification authorization may be obtained
15 electronically. For example, the Realtor may meet a prospective borrower at a remote
16 location, such as an open house, and desire to provide counsel concerning available
17 financing options for the real estate being offered. The borrower may provide an
18 electronic signature to authorize a request for credit scores and the Realtor can via a
19 wireless PDA connection obtain pre-authorization for the borrower. More importantly
20 the Realtor has the entire mortgage origination system available to him at a remote
21 location. The realtor can even check on the progress of other loan applications at the
22 remote location.

23 Wireless connections and electronic signatures help reduce paper traffic between
24 the borrower and Realtor. For example, electronic transmissions can allow necessary

1 forms to be electronically transmitted to either the Realtor or the borrower, either at the
2 point of access or to an electronic mail address. Once the borrower receives electronic
3 transmissions containing the information in the printed forms of the previous
4 embodiment, the borrower can review the materials and, if the terms are agreeable,
5 provide a binding electronic signature to the Realtor to satisfy the regulatory
6 requirements.

7 Upon completion of this authorization step, the Realtor is ready to move on to the
8 second step, the borrower consultation. During borrower consultation, the Realtor assists
9 the borrower in reviewing the home buying process; identifying available programs; and
10 analyzing various “what if” mortgage qualification and payment scenarios with the
11 borrower. Although the consultation process helps to ensure that the Realtor provides his
12 or her client with superior service, aspects of the consultation ensure that the Realtor
13 complies with RESPA guidelines.

14 Figure 7 is a screen shot of a “Consult” page 700 directed towards prompting the
15 Realtor to explain the home buying process. This Figure illustrates the tabs available for
16 the main consultation topics: The Home Buying Process; The Client’s Rights as a
17 Borrower; and Program Consultation. Each consultation topic is available as either an
18 electronic file or a printed handout, which the Realtor can provide to the borrower during
19 the consultation.

20 After a thorough consultation with the borrower, the Realtor can proceed to step
21 three, qualifying the borrower for a specific mortgage program. Figure 8 illustrates an
22 exemplary screen instructional “Qualify” page 800 that prompts the Realtor on how to,
23 “Obtain a Borrower Credit Score.” With the assistance of the various web pages found
24 under within the qualify step, the Realtor is able to guide the borrower through accessing

1 the borrower's credit information, managing possible credit problems, and qualifying the
2 borrower for a specific mortgage program. Information input into the system during the
3 previous steps helps develop a unique borrower file that is available through the entire
4 process of the mortgage origination via the borrower service center database 330. Once
5 the Realtor qualifies the borrower for a specific mortgage program, the information in the
6 borrower file may be used to populate or fill out program specific forms, thereby
7 minimizing the need for data re-entry during the online application process.

8 After the borrower has successfully qualified for a specific mortgage program, the
9 Realtor can proceed to step four, e.g. preparing an online application for the borrower.
10 During this step, the Realtor receives an application fee from a previously qualified
11 borrower, enters an online application for mortgage processing and reviews a general list
12 of documents required to obtain the mortgage. For example, the borrower prior to the
13 Realtor receiving any application fees must sign a state-specific Application Disclosure.
14 Figure 9 is a screen shot of an exemplary application disclosure page 900 with a
15 hyperlink to a New Jersey Application Disclosure form. As previously mentioned, the
16 version of the application disclosure form defaults to the specific state of the Realtor, but
17 can be changed if the Realtor is acting as a solicitor for a different state. Thereafter, the
18 system electronically processes the submission of the application fee. Upon entry, the
19 online application is electronically submitted to the processing center 180 for rapid
20 approval and processing.

21 Once the borrower has submitted an online application, the Realtor proceeds to
22 the final step of the five-step process and monitors the mortgage status. As shown in
23 Figure 10, an instructional "Monitor" page 1000 contains prompts. One prompt states
24 that a Realtor must monitor a borrower's loan during the processing stages to pass on to

1 the borrower any major change in the loan processing status, or if a processing issue
2 arises. The system 140 further provides the tools that allow the Realtor to monitor the
3 status of all their borrower loans throughout loan processing and underwriting. The
4 mortgage status is monitored until the mortgage has closed. Monitoring includes
5 checking on appraisal status, processor information, required documentation needed to
6 approve a mortgage, and the conditions of the commitment to close the mortgage
7 transaction. During this “monitor” step, the Realtor also assists the borrower in locking a
8 rate for the mortgage prior to closing. In addition, commission-tracking information is
9 available for the Realtor, based in part on the borrower loans being processed. Upon
10 closing, the Realtor’s mortgage origination tasks are complete and the Realtor is paid the
11 commission associated with the mortgage origination.

12 The first data collected in the qualification and application process for a borrower
13 is basic borrower information. This creates a borrower file that is then accessible
14 throughout the origination process. Figure 11 is a screen shot of an exemplary “Personal
15 Information” page containing borrower information. The borrower information page
16 1100 serves two functions. First, it acquires basic items that dynamically govern what
17 qualification information must be acquired. For example, the number of borrowers
18 specifies whether a co-borrower is associated with the mortgage. Additionally, the
19 purpose of the loan field specifies either a home purchase or refinance. The second
20 function is the acquisition of basic identification information for each borrower. The
21 password field is used to allow the borrower remote access to the status of his or her
22 mortgage.

23 Upon completion of the borrower information page 1100, the Realtor
24 automatically proceeds to the second step of the qualification process, the borrower

1 financial information page 1200. Figure 12 is a screen shot of an exemplary dynamic
2 borrower financial information page 1200. Information about the borrower's financial
3 status provides the basis for the income qualification for the mortgage. Figure 12
4 illustrates the general financial information required to complete this form, including;
5 credit score, liquid assets, annual income, and monthly debt. Separate income and debt
6 calculators can be accessed to help acquire specific income and obligation information.
7 Identifying whether the borrower owns other real estate can have a profound impact on
8 that borrower's income and debt. The system identifies exactly the number and the type
9 of other real estate owned. In addition, it obtains only the required financial information
10 necessary in the mortgage origination process.

11 Upon completion of the borrower financial information page 1200, the Realtor
12 automatically proceeds to the third step of the qualification process, the property
13 information page 1300. Figure 13 is a screen shot of an exemplary property information
14 page 1300. The information submitted on this page is specific to the property being
15 purchased or refinanced. For example, information about additional payments and
16 income relating to the property are requested, such as all annual taxes, fees, and
17 insurance.

18 Upon completion of the property information page 1300, the Realtor
19 automatically proceeds to the fourth step of the qualification process, the loan options
20 page 1400. Figure 14 illustrates an exemplary loan options page 1400. This page allows
21 the Realtor to specify the mortgage type, term, down payment, and desired points that the
22 borrower is seeking. Choosing several different loan programs at once for qualification
23 allows the system to compare and filter a variety of available mortgage programs.
24

1 Upon submission of the loan options page 1400, all the information required for a
2 pre-qualification has been provided. At this point, the system, using information
3 submitted in the previous four steps, queries the mortgage program database for a list of
4 programs, which meet the qualification criteria. Results of the query may be
5 automatically stored in the borrower service center database 330 for presentation in a
6 qualified loan program list.

7 Figure 15 is a screen shot of an exemplary qualified programs page 1500
8 containing two tables of loans for which the borrower, Harvey Polonsky, is qualified.
9 The qualified programs page 1500 provides a list of the specific mortgage programs for
10 which the borrower has qualified based on the information previously provided to the
11 borrower service center 320. For each qualified program, a matrix is displayed with a
12 range of available rates and associated origination commissions 1510. From this list of
13 qualified programs, the Realtor can determine the rate quote to offer the borrower. The
14 Realtor then selects the loan program to offer the borrower. This selection is based on the
15 program type and term, the appropriate rate and the desired commission the Realtor
16 would like to earn.

17 In one embodiment, the system provides options on how to display commissions
18 on this page. For example, a Realtor can opt for a minimum commission amount and can
19 opt to eliminate the commissions from being displayed on this page altogether. In any
20 case, if the commission calculated is below the specified minimum commission amount,
21 the system will display a visual indicator. For example, the system may display an entire
22 row of the loan program table in a different color, such as bright red, or the system may
23 use some other easily recognizable designation, such as flashing or animation. The visual
24 indicator alerts the Realtor that the offered loan program, although qualified for the

1 borrower, provides a commission that is below the desired minimum. Commission
2 calculation and information are discussed in greater detail in Figure 23.

3 In some cases, a borrower may not qualify for a program based on specific lender
4 guidelines, but still qualifies for the program based on the risk-based, assumed guidelines
5 of automated underwriting. In this case, the borrower will qualify for a cautionary
6 qualification 1520, which allows the borrower to apply for the loan but does not provide a
7 real-time pre-approval letter. The qualification processing engine outputs the cautionary
8 qualification based on previous "approval" experience with applications that should have
9 been "denied" under the published lender guidelines, but that were approved using the
10 automated guidelines. Thus the lenders do not specify the guidelines of automated
11 underwriting, but these guidelines may be derived from operational experience in
12 qualifying borrowers using the various automated underwriting engines, such as Fannie
13 Mae and Freddie Mac. As such a cautionary qualification is an "estimate" that the
14 application would be approved based on other applicants with similar loan application
15 information.

16 If the borrower does not qualify for any mortgage programs based on the entered
17 qualification information, the system will reject the borrower and display the reason for
18 the rejection. At this point the Realtor can try to adjust the qualification information
19 based on the reasons for rejection and re-submit the borrower for qualification. The
20 Realtor can also apply for a credit mortgage approval without a qualified program. In this
21 case, a mortgage application is still submitted to the processing center 180 for manual
22 approval.

23 Once the specific program is selected the system will automatically proceed to a
24 program details page, the final step in the qualification process. Figure 16 is a screen

1 shot of an exemplary loan program details page 1600. The program details page 1600
2 provides a detailed description of the terms of the qualified mortgage that have been
3 selected for the borrower. It is also a hub screen containing links from which several
4 functions can be performed specific to a qualified borrower. These functions include:
5 updating the qualified information with “Today’s Rates”, providing the borrower with a
6 printed “Client Summary” of the qualified mortgage program (Figure 17), providing the
7 borrower with a printed “Pre-approval Letter” (Figure 18), providing the borrower with a
8 printed “Good Faith Estimate” (Figure 19), and proceeding to “Apply Online” for a
9 qualified program. This includes automatic submission of processing fees (Figure 20) as
10 well as completing a full online application for the borrower (Figure 21).

11 These functions are all preferably available in real-time. That means that the
12 Realtor can provide a Pre-approval Letter 1800 or a Good Faith Estimate 1900
13 immediately upon qualifying a borrower. A desirable function that is available at the
14 program details page 1600 is the ability to “Apply Online” by electronically submitting
15 the borrower’s mortgage application for processing via the secure online application 340.

16 As is shown in Figure 17, a screen shot of an exemplary client summary page
17 1700, the client summary page 1700 is a quick snapshot of the details associated with the
18 program for which the borrower qualified. The Realtor may use it as a handout for the
19 borrower, as this page includes important instructions and password information for
20 remote access by the borrower to their loan status.

21 If a borrower qualifies for a specific mortgage program, a pre-approval letter 1800
22 is available immediately. Figure 18 is a screen shot of an exemplary pre-approval letter
23 page 1800. While this letter is not a commitment for a mortgage, it indicates that a
24 borrower should be able to obtain a mortgage if the information provided by the borrower

1 is accurate and true. To receive a credit mortgage approval or a mortgage commitment,
2 the borrower will require final verification of income and assets, a full credit report and a
3 home appraisal. This can only be accomplished by submitting a complete online
4 application.

5 If a borrower qualifies for a specific mortgage program, the good faith estimate is
6 also available immediately. Figure 19 is a screen shot of an exemplary good faith
7 estimate page 1900. The good faith estimate page 1900 is a printable report to be given
8 to the borrower outlining the potential costs associated with a mortgage loan. This page
9 1900 is only an estimate of the expenses associated with a mortgage loan, such as the
10 mortgage fees, settlement charges, escrows and prepaid costs. Some of the figures on a
11 good faith estimate 1900 are accurate, such as the mortgage fees, and some are only
12 estimates of possible expenses such as title or settlement expenses.

13 The mortgage origination system 140 of the present invention also has the
14 functionality to automatically receive and track fees. Prior to submitting an application
15 online, the Realtor must supply a confirmation of payment using the payment information
16 page 2000 as illustrated in Figure 20. Fee amounts are automatically calculated and
17 presented on this page. This page can either collect the fee automatically via a credit card
18 or track a personal check that the Realtor has received from the borrower.

19 After confirmation of payment of application fees, the system provides for the
20 online entry of the full "1003 Uniform Residential Mortgage Loan Application Form"
21 (URMLA) or its equivalent. This process consists of several data entry screens, which
22 preferably mimic the paper version of the URMLA or equivalent. Figure 21 is a screen
23 shot of the first screen of the exemplary online Uniform Residential Loan Application
24 page 2100. Fortunately, if similar information was entered in the borrower service center

1 320 during the qualification process it is automatically carried forward into the online
2 URMLA or equivalent pages as defaults. Upon completion, the online application is
3 electronically submitted to the processing center 180.

4 A loan status page 2200 provides the Realtor and the borrower with up-to-date
5 information about the status of the mortgage being processed. Figure 22 is a screen shot
6 of an exemplary loan status page 2200. This status page 2200 includes borrower,
7 processor, rate, and other information associated with the loan application process.

8 The Pipeline Monitor section of the system is not directly tied to the borrower
9 service center 320 but is dependant on post-application functionality. Figure 23 is a
10 screen shot of an exemplary closed loan pipeline page 2300. The closed loan pipeline
11 page 2300 provides the Realtor with alert prompts for suspended and rejected
12 applications. It also provides historical information sorted by month, year, and borrower
13 regarding previously closed loans and their corresponding terms. The closed loan terms
14 include (1) commission, (2) borrower, (3) loan number, (4) loan amount, (5) rate, (6)
15 points, (7) origination date, (8) approval date, and (9) close date. The monitor section
16 provides status and commission information on all of a Realtor's loans that are being
17 processed. Significantly, the pipeline tab allows a Realtor to track multiple loan
18 originations in one location. The system also will track the relationship of a branch
19 manager, or broker, with the real estate agents, or solicitors, who work for that branch
20 manager. In the case of a branch manager, the monitor section of the system can provide
21 loan status information for loans originated by the managed solicitors as well as the
22 branch manager.

23 The present invention also implements a data scheme capable of supporting
24 multiple levels of commission calculations. For example, a total commission is

1 calculated based on the total loan amount. This total commission may be subdivided for
2 distribution as a branch commission, solicitor commission, and manager commission. In
3 one embodiment, the branch commission is a fractional percentage of the total
4 commission and is divided into the solicitor and manager commissions. For example, the
5 branch earns 40% of the total commission, with half of the branch commission or 20% of
6 the total commission going to the originating agent as a solicitor commission and the
7 remaining 20% of the total commission going to the branch manager as a manager
8 commission. As such the pipeline monitor of the manager would also track the
9 origination efforts of the agents working with the branch. In an alternative embodiment,
10 a large branch could have multiple managers and multiple solicitors.

11 The present invention may be embodied in other specific forms without departing
12 from its spirit or essential characteristics. The described embodiments are to be
13 considered in all respects only as illustrative and not restrictive. The scope of the
14 invention is, therefore, indicated by the appended claims rather than by the foregoing
15 description. All changes that come within the meaning and range of equivalency of the
16 claims are to be embraced within their scope.

17 What is claimed and desired to be secured by United States Letters Patent is:
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